

**INDIANA TOBACCO USE PREVENTION AND CESSATION
EXECUTIVE BOARD RESOLUTION 2006-1
SUPPORT FOR INCREASING TOBACCO TAX AND
FUNDING FOR TOBACCO CONTROL
August 24, 2006**

Whereas, tobacco use is the leading cause of preventable death in the United States and in Indiana¹; and

Whereas, 438,000 Americans and 9,700 Hoosiers die of tobacco caused diseases each year²; and

Whereas, Indiana has the second highest adult smoking prevalence in the United States³; and

Whereas, Indiana's adult smoking rate increased from 24.9 percent in 2004 to 27.3 percent in 2005. While this change is not statistically significant, it represents a troubling reversal from recent years as Indiana's adult smoking rate declined from 27.7 percent in 2002 to 24.9 percent in 2004⁴; and

Whereas, Indiana settled its lawsuit against the major tobacco companies with the Master Settlement Agreement, which was intended to make payments to the states for use in preventing and reducing tobacco use, especially among children, and otherwise reduce the toll of tobacco on the states; and

Whereas, the General Assembly originally appropriated \$35 million for the creation and annual operation of the Indiana Tobacco Prevention and Cessation (ITPC) Agency in 2000 from the more than \$125 million Indiana receives each year in settlement payments; and

Whereas, in 2003, the Indiana Legislature cut ITPC annual funding to \$10.8 million, 69 percent below the CDC minimum for recommended funding for Indiana's comprehensive tobacco control program and leaving Indiana without adequate funding to address the burden of tobacco use in the State; and

Whereas, the tobacco companies have increased their marketing expenditures in Indiana to a record \$475 million a year, amounting to 44 times what the state currently spends on programs to prevent youth from smoking and help smokers quit⁵; and

¹ Centers for Disease Control and Prevention. *MMWR* — Annual Smoking—Attributable Mortality, Years of Potential Life Lost, and Productivity Losses — United States, 1995–1999. 2002 / Vol. 51

² *MMWR* — Annual Smoking—Attributable Mortality, Years of Potential Life Lost, and Productivity Losses — United States, 1997–2001; July 1, 2005 / Vol. 54 / No. 25

³ Centers for Disease Control and Prevention. 2005 Behavior Risk Factor Surveillance Survey.

⁴ 2004–2005 Behavior Risk Factor Surveillance Survey.

⁵ 2003 FTC Report on Cigarettes

Whereas, in fiscal year 2006, Indiana will collect a record \$444 million from the tobacco settlement and tobacco taxes, and funding a tobacco prevention program at CDC minimum levels would require less than eight percent of Indiana's total tobacco revenue; and

Whereas, beginning in fiscal year 2008, Indiana will collect a bonus payment of \$23.5 million a year from the Master Tobacco Settlement; and

Whereas, experiences from other states indicate that adequately funded state tobacco-prevention programs reduce smoking-caused costs by two or three dollars for every dollar the state allocates to them⁶; and

Whereas, tobacco cessation is rated as one of the top three preventive health screening services and for every \$1 spent \$1.50 is saved in reduced health care costs⁷; and

Whereas Indiana's state tobacco tax (55.5 cents per pack) is 35th in the nation, below the state average and below tobacco taxes of neighboring states⁸; and

Whereas, increasing cigarette prices is a highly effective means and is cost-effective and evidenced-based and is strongly recommended by The Guide to Community Preventive Services for Tobacco Use Prevention and Control in reducing youth smoking, with an average seven (7%) percent decrease in youth smoking for every ten (10%) percent increase in total cigarette price⁹; and

Whereas, A 2006 study published in the March issue of the American Journal of Health Promotion suggests that well-funded tobacco control programs combined with strong tobacco control policies increase cessation rates, and that state programs have an effect beyond that predicted by tobacco control policies alone¹⁰; and

Whereas, increasing Indiana's tobacco tax by at least \$1.00 will prevent 102,900 youth from beginning to smoke and help 48,100 adult smokers quit and bring \$339 million in state revenues; and

Whereas, 7 cents of the \$1.00 from the tobacco tax would be needed to adequately fund tobacco control in Indiana at the CDC recommended minimum level; and

⁶ Campaign for Tobacco Free Kids (CTFK). Comprehensive State Tobacco-Control Programs Save Money. Retrieved from <http://www.tobaccofreekids.org/research/factsheets/pdf/0168.pdf>.

⁷ The Guide to Community Preventive Services for Tobacco Use Prevention and Control

⁸ Orzechowski and Walker. Tax Burden on Tobacco

⁹ Chaloupka, F., "Macro-Social Influences: The Effects of Prices and Tobacco Control Policies on the Demand for Tobacco Products," Nicotine & Tobacco Research (1999) ; Tauras et al, " Effects of Price and Access Laws on Teenage Smoking Initiation: A National Longitudinal Analysis."

¹⁰ Hyland A, et al., "State and Community Tobacco-Control Programs and Smoking – Cessation Rates Among Adult Smokers: What Can We Learn From the COMMIT Intervention Cohort?" *American Journal of Health Promotion*, March 2006.

Now, therefore be it resolved that the Indiana Tobacco Use Prevention and Cessation Executive Board urges the Indiana General Assembly to increase Indiana's tobacco tax by at least \$1.00 cents; and

Be it further resolved that the Indiana Tobacco Use Prevention and Cessation Executive Board urges the Indiana General Assembly to increase funding for ITPC to the CDC recommended minimum level of \$34.8 million annually;

Be it further resolved that the Indiana Tobacco Use Prevention and Cessation Executive Board urges the Indiana General Assembly to allocate the remaining additional revenue from the tobacco tax increase to health care;

And be it further resolved that the Indiana Tobacco Use Prevention and Cessation Executive Board is hereby directed to distribute copies of this resolution to the Governor and the Lieutenant Governor of Indiana, and to members of the Indiana General Assembly.

August 24, 2006